

ARCO Chemical Company  
1500 Market Street  
Post Office Box 7258  
Philadelphia, Pennsylvania 19101  
Telephone 215 557 2000  
359-200

Commercial Development Department



April 23, 1987

Mr. John Kollar  
Redox Technologies Inc.  
6 Spencer Court  
Wyckoff, New Jersey 07481

Dear John:

Attached are two copies of ARCO's standard confidentially agreement. If acceptable please sign and return them to me for endorsement by the appropriate ARCO officer.

If you have questions, I suggest calling our legal counsel, John Martin, directly at 215-359-2109. I also will be available to address any concerns.

I propose we meet at Newtown Square on May 14th. I would like to start early (9:00 AM) so it may be necessary for you to stay overnight. If so, I can arrange for a room at one of the ARCO cottages on site. I will be in touch with you next week to firm up our plans.

Sincerely,

William P. Weeks  
Project Manager

WPW/fw

Atts.



April 23, 1987

Redox Technologies, Inc.  
6 Spencer Court  
Wyckoff, NJ 07481

Attention: John Kollar

Re: Methanol to Ethylene Glycol

Gentlemen:

ARCO Chemical Company, a division of Atlantic Richfield Company ("ACC") understands that Redox Technologies, Inc. ("REDOX") has developed and has rights to a process for conversion of methanol to ethylene glycol including catalysts used in the process (the "Technology").

ACC desires to receive a disclosure of the Technology from REDOX for the purpose of evaluating the Technology to determine whether ACC desires to make an offer to REDOX to acquire the Technology. Therefore, REDOX will provide the Technology to ACC on the following terms:

1. At mutually agreeable times, REDOX shall, for a period of two (2) non-consecutive days disclose the Technology to ACC at ACC's Newtown Square, PA facility. The disclosure shall include material in a written format (2 books for ACC's evaluation) and an oral presentation of its contents to ACC personnel, as well as discussions with ACC personnel concerning the foregoing. The content of the written format is more specifically set forth in Exhibit A, attached hereto and made a part of this Agreement.
2. ACC shall advise REDOX of its decision concerning its desire to acquire the Technology within four (4) months of completion of the final disclosure visit defined in paragraph 1. During the 4 month evaluation period, REDOX will make personnel available by telephone discussions to enable ACC to further its assessment of the Technology. Subject to mutual agreement, REDOX will provide a follow-up visit (in addition to the 2 disclosure days) by its personnel to ACC's Newtown Square, PA facility to aid ACC in its evaluation of the Technology.


3. REDOX agrees to grant, and does hereby grant, to ACC a non-exclusive right and license under REDOX's Technology (including patent rights) to experimentally evaluate and experimentally reproduce all or any part of the methanol to ethylene glycol process disclosed by REDOX to ACC.
4. For its services in making the above disclosure and granting of rights, ACC shall pay REDOX the sum of Twenty Thousand United States Dollars (US \$20,000), payable on the first disclosure day to ACC under paragraph 1. This payment shall not be refundable, but in the event REDOX licenses or sells the Technology to a third party during the four month evaluation period referred to in paragraph 2 above, REDOX shall promptly refund the \$20,000 payment to ACC. If within such four month period ACC advises REDOX that it elects to acquire the Technology, and REDOX has not at such time agreed to license or sell the Technology to a third party, REDOX and ACC shall thereafter in good faith attempt to complete negotiations and execution of the agreement within ninety (90) days.
5. ACC will treat as confidential and will not disclose to others or use, except as authorized herein or as otherwise expressly authorized by REDOX, any Technology provided to ACC by REDOX.
6. Nothing contained herein shall restrict ACC from disclosing, using or otherwise dealing with any Technology which ACC can show:
  - (a) is or becomes publicly available through no fault of ACC;
  - (b) was in ACC's possession prior to receipt from REDOX;
  - (c) was lawfully disclosed to ACC by a third party without restriction on disclosure; or
  - (d) was independently developed by an employee of ACC who did not have access to any Technology.
7. All obligations of ACC under paragraph 5 shall expire on May 1, 1997.

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If the foregoing is acceptable, please have an authorized representative of your firm sign the duplicate of this letter and return it to us.

Very truly yours,

ARCO CHEMICAL COMPANY  
Division of  
Atlantic Richfield Company

By:   
Title: Vice President

We hereby confirm our agreement to the foregoing terms and conditions.

REDOX TECHNOLOGIES, INC.


By:   
Title: PRESIDENT  
Date: 4-29-87

EXHIBIT A

Methanol to Ethylene Glycol Process Disclosure

- A. Chemistry and Technology Book I - chemistry, theory and data are presented for each important process section. Discussion of the factors that influence rate, selectivity operability, economics and other important considerations.
- B. Engineering Narrative - a discussion of the engineering concepts utilized, with emphasis on operations that yield improved economics.
- C. An Environmental Impact assessment.
- D. Economic Cost breakouts of various categories of equipment, raw materials, utilities etc. of the Redox Process on a block by block and total process basis, and comparative economics of the conventional process.
- E. Flow Sheets - total process and by individual blocks.
- F. Material Flows - major flows into and out of each process block.
- G. Equipment List - sizing and specifications for the major pieces of equipment inside battery limits.
- H. A listing of all United States and foreign patents and patent applications relating to the Technology with one copy of each patent/patent application to be provided to ACC.